

Message Text

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51

ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 COME-00 DOTE-00 EB-11 FMC-04 CG-00

COA-02 DLOS-06 SWF-02 TRSE-00 OMB-01 STR-08 SAB-01

DRC-01 /151 W

----- 123314

R 281350Z MAR 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 9469

INFO USCINCSO

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USCINCSO FOR POLAD

EO 11652: N/A

TAGS: PFOR, PN, PE

SUBJ: PERUVIAN VIEWS ON PROPOSED PANAMA CANAL TOLL INCREASE

REF: STATE 58007, 49678, LIMA 2028

1. DRAWING ON REFTELS, EMBASSY OFFICERS REMINDED FOREIGN TRADE OFFICIAL AT FOREIGN MINISTRY OF SCCN RESOLUTION AND NOTED THAT IF PERU WHISHES MAKE FURTHER PRESENTATION THIS SUBJECT IT SHOULD DO SO ABOUT APRIL 1 IN ORDER FOR USG TO TAKE ITS VIEWS INTO CONSIDERATION PRIOR TO MEETING OF PANAMA CANAL COMPANY BOARD ON APRIL 27. EMBASSY OFFICERS ALSO POINTED OUT THAT PERUVIAN PRESIDENT VELASCO HAD STATED PUBLICLY ON MARCH 13 THAT INCREASE IN TOLLS WOULD HAVE NO SIGNIFICANT IMPACT ON PERUVIAN ECONOMY (SEE LIMA 2028). OFFICIAL SAID HE WOULD CHECK WITH HIS SUPERIORS AND THAT GOP WOULD MAKE ANY FURTHER VIEWS KNOWN SOONEST.

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2. COMMENT: EMBASSY, BASING ITS CALCULATIONS ON

AMBASSADOR BERCHEMEYER'S LETTER TO MR PARKER OF FEBRUARY
13 IN WHICH PERUVIAN EMBASSY CALCULATED THAT 20 PERCENT INCREASE
IN TOLLS WOULD INCREASE SEA FREIGHT COSTS BY 3 PERCENT, ESTI-
MATES THAT TOTAL IMPORT COST TO PERU WOULD INCREASE BY
LESS THAN 0.2 PERCENT IF INCREASE APPROVED. SIMILARLY, MOST
PRERUVIAN EXPORTS ARE PRICE INELASTIC, WITH EXCEPTION OF
SOME NONTRADITIONAL GOODS, AND INCREASED FREIGHT COSTS
WOULD BE NEGLIGIBLE FACTOR IN MARKETING EXPORTS. IN SUMMARY,
THEN, EMBASSY CONCURS COMPLETELY WITH PRESIDENT VELASCO'S
STATEMENT THAT IMPACT WOULD BE ON NO REAL CONSEQUENCE TO
PERU, ALTHOUGH IT IS NOT UNLIKELY THAT GOP OFFICIALS MAY,
EVEN IN THE FACE OF PRESIDENT'S STATEMENT, CONTINUE TO OP-
POSE INCREASE.
BELCHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN POLICY POSITION, INTERNATIONAL CANALS, TOLLS, FREIGHT RATES, IMPORT DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 28 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LIMA02427
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740068-0697
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974038/aaaaahfj.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 58007, 49678, LIMA 2028
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 19 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 SEP 2002 by rowelle0>; APPROVED <26-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PERUVIAN VIEWS ON PROPOSED PANAMA CANAL TOLL INCREASE
TAGS: PFOR, PN, PE, PQ
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005